In case of accounts that have remained inoperative for one year, banks are required to advise their customers. In case the advice letter is returned undelivered, the branch is expected to enquire into the whereabouts of such customers, or about their legal heirs.

Loan Facilities to Weaker Sections for Higher Education

2328. SHRI KALRAJ MISHRA: Will the Minister of FINANCE be pleased to state:

(a) whether in view of the need for extending the access to higher education for economically weaker sections of society, Governments and the Nationalised Banks have decided to extend loan facilities to such sections at low rates of interest;

(b) if so, the details of the decision; and

(c) the steps since taken to make such loans available to genunie seekers of higher education?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUAMR BANSAL): (a) to (c) The interest rates on advances are deregulated and banks are free to fix the rate of interest themselves with the approval of their Boards. Banks have been advised to fix their Behch-mark Prime Lending Rate (BPLR) after taking into account cost of funds, transactions cost, risk factor margin and other overhead expenses. As per the Model Education Loan Scheme, 2004, the banks are to charge interest on education loan up to Rs. 4 lakh at BPLR and above Rs. 4 lakh at BPLR + 1 per cent. Further, the Education Loan Scheme aims at providing financial support from banking system to deserving/meritorious students for pursuing higher education in India and abroad. The scheme provides broad guidelines to the banks for operationalising the scheme and the implementing banks have the discretion to make changes suiting to the convenience of the students/ parents to make the scheme more customer friendly.

Correlation of Stock Markets with Global Stock Markets

2329. SHRI S.M. LALJAN BASHA: Will the Minister of FINANCE be pleased to state:

(a) whether Government are making a deliberate effort to correlate Indian stock markets with global stock markets;

(b) if so, whether it is a fact that RBI, SEBI and other agencies of Government create policies to see that Indian stock market reacts in the same way as foreign stock markets;

(c) if so, what is the purpose of this objective;

(d) what are the gains to the common man by this dependency on foreign stock markets; and

(e) the steps proposed to review this policy?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (e) No, Sir. The movement in stock market indices is a function of many factors including investors' perceptions of the economy and corporate performance. In a liberalized environment, where domestic markets have a greater integration with global markets, Indian stock markets react to global factors in addition to domestic factors. Events like movements in global crude oil prices, metal prices, interest rate changes in major economies, currency movements, etc. affect domestic stock markets.

increase in Education Cess

2330. SHRI UDAY PRATAP SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether Government have proposed to increase Education Cess; and

(b) if so, what is the total collection of education cess during the year, 2006-07 and the details of allocation of fund for various education schemes?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) The Government has proposed in the Finance Bill, 2007 to levy an additonal "Secondary and Higher Education Cess" @1% on the aggregate duties of customs, and central excise along with service and income taxes to provide and finance secondary and higher education.

(b) The amount of Education Cess collected from April, 2006 to February, 2007 is Rs. 2,982 crores (provisional) (on direct taxes) and Rs. 3,851 crores (prov.) (on indirect taxes).